

**§ 360.1 Purpose.**

To set forth the policy and procedures governing the transfer of marine equipment by the Maritime Administration to operators of merchant ships and to shipyards for the construction or repair of merchant ships, on the basis of replacement at the earliest possible date.

**§ 360.2 Definitions.**

(a) The term *transfer*, as used herein, shall be deemed to be a transfer of possession with passage of title upon delivery of the equipment to the operator or shipyard, and with obligation for replacement of the equipment by the transferee.

(b) The terms *marine equipment* and *equipment*, as used herein, shall be deemed to include machinery, spare parts, and equipment required for the operation, construction, or repair of merchant ships.

**§ 360.3 Policy.**

(a) Transfers of marine equipment owned by the Maritime Administration will be made, upon request, only in cases of emergency under the following conditions:

(1) There must be a need which cannot be filled within a reasonable time by a manufacturer or other source;

(2) The transferee shall agree to stand all costs incurred in connection with the transfer;

(3) The transferee shall agree to take possession and custody of the equipment at a time and place designated by the Maritime Administration, and there shall be no liability on the part of the Maritime Administration for any failure of the equipment thereafter; and

(4) The equipment transferred shall be replaced by the transferee, at his expense, at the earliest practicable date and at a point designated by the Maritime Administration, with new equipment of the same type and design or with equipment determined by the Maritime Administration to be suitable for the same use as the equipment transferred, in a condition satisfactory to the Maritime Administration and in compliance with American Bureau of Shipping and U.S. Coast Guard standards.

(b) Transfers which meet the above requirements may be made (1) to operators of U.S.-flag merchant ships and shipyards for the construction or repair of U.S.-flag merchant ships, and (2) to foreign-flag merchant ships and U.S. shipyards for the construction or repair of foreign-flag merchant ships, when it is determined by the Maritime Administration, in consultation with other Government agencies, as appropriate, that the transfer would be beneficial to the American merchant marine, the defense effort, or otherwise in the national interest.

(c) The transferee shall furnish a deposit to the Maritime Administration in the amount of the current acquisition value (new) of the equipment, as determined by the Maritime Administration, plus 10 percent of such amount to cover expenses which may be incurred by the Maritime Administration in connection with the transaction, including possible damages to Maritime Administration properties, and, where applicable, an additional amount equal to the estimated cost of closing any openings or reassembling any machinery made necessary by the transfer. This deposit, less the amount of any expenses or damages incurred by the Maritime Administration in connection with the transfer, will be returned to the transferee upon satisfactory replacement of the equipment.

(d) The transferee shall pay to the Maritime Administration a service charge in the amount of \$200 to cover administrative and operating expenses incurred in processing the transfer. This amount is to be deposited to the credit of the Government, and will not be returned to the transferee.

**§ 360.4 Procedure.**

(a) Requests for the transfer of marine equipment shall be submitted, in writing, to the Chief, Division of Reserve Fleet, Maritime Administration, Washington, DC 20590, or to the appropriate Region Director in the field, and shall include the following information:

(1) Name and address of organization requesting the transfer;

(2) Description of the equipment required;